

DEPARTMENT OF HOMELAND SECURITY



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Customs and Border Protection

Resource Summary

	Budget Authority (in Millions)		
	FY 2008 Final	FY 2009 Enacted	FY 2010 Request
Drug Resources by Function			
Intelligence	\$277.629	\$334.629	\$338.087
Interdiction	1,267.092	1,766.390	1,765.387
Total Drug Resources by Function	\$1,544.721	\$2,101.019	\$2,103.474
Drug Resources by Decision Unit			
Salaries and Expenses	\$1,248.677	\$1,625.819	\$1,648.231
<i>Border Security and Trade Facilitation at POEs (non-add)</i>	<i>[671.073]</i>	<i>[876.859]</i>	<i>[863.483]</i>
<i>Border Security and Control between POEs (non-add)</i>	<i>[264.391]</i>	<i>[395.760]</i>	<i>[397.014]</i>
<i>HQ Management and Administration (non-add)</i>	<i>[114.435]</i>	<i>[89.500]</i>	<i>[109.069]</i>
<i>Air and Marine Operations - Salaries (non-add)</i>	<i>[198.778]</i>	<i>[263.700]</i>	<i>[278.665]</i>
Air and Marine Operations	\$296.044	\$475.200	\$455.243
Total Drug Resources by Decision Unit	\$1,544.721	\$2,101.019	\$2,103.474

Drug Resources Personnel Summary			
Total FTEs (direct only)	5,663	9,817	10,135
Drug Resources as a Percent of Budget			
Agency Budget	\$10,545.8	\$9,820.7	\$10,049.4
Drug Resources Percentage	14.65%	21.39%	20.93%

Program Summary

Mission

Titles 18 U.S.C. and 19 U.S.C. authorize U.S. Customs and Border Protection (CBP) to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that CBP plays a key role in the overall anti-drug effort at the border. CBP's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority of the Bank Secrecy Act, "USA PATRIOT Act," Money Laundering Control Act, and other laws.

Methodology

CBP is a multi-mission bureau, and calculates obligations, by budget decision unit and function, pursuant to an approved drug methodology. On the basis of past practice, five organizations within CBP, the Offices of: Border Patrol; Field Operations; Information Technology; Training and Development; and Air and Marine estimate, on the basis of their expert opinion, what portion of their activities is related to drug enforcement. All five organizations identify resources in their financial plans that support the drug enforcement mission of the agency. The Office of Information Technology, the Office of Field Operations, the Office of Border Patrol, and the Office of Air and

Marine attribute their resources to both intelligence and interdiction functions; while the Office of Training and Development attribute their resources solely to interdiction.

Office of Field Operations

The Office of Cargo and Conveyance Security/Non-Intrusive Inspection Division of the Office of Field Operations estimates that, as of March 2009, there were over 3,900 CBP officer positions that are related to drug enforcement. In August 2003, CBP established a Consolidated National Inspectional Anti-Terrorism Contraband Enforcement Team (A-TCET) Policy. Under A-TCET, the former Contraband Enforcement Team (CET), Manifest Review Unit (MRU), Non-Intrusive Inspection, Canine, and Outbound teams were united to form a single enforcement team, A-TCET. The A-TCET works closely with the Passenger Enforcement Rover Team (PERT) and Passenger Analytical Unit (PAU) teams to coordinate all enforcement activities. Although the primary mission of the A-TCET teams is anti-terrorism, they also focus on all types of contraband, including narcotics. It is estimated that 69 percent of the A-TCET is devoted to drug enforcement. The smuggling methodologies and their indicators are believed to be similar for both narcotics and anti-terrorism activities.

As of March 2009, there were 625 canine enforcement officers with assigned dogs. Included in the total were 232 narcotics detection teams, 30 currency – firearms detection teams and 229 narcotics/human smuggling detection teams that were nearly 100 percent devoted to smuggling interdiction. Also included in the total, but not scored for narcotics enforcement were 111 agricultural teams, and 21 explosive detection teams.

Office of Border Patrol

The Office of Border Patrol (OBP) is responsible for controlling almost 6,000 miles of land borders between ports of entry with Canada and Mexico and nearly 2,700 miles of coastal waters surrounding the Florida Peninsula and Puerto Rico. There were 18,875 Border Patrol agents as of April 11, 2009, assigned to the mission of detecting and apprehending illegal entrants between the ports-of-entry. These illegal entries include aliens and drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry due to their undocumented status, thus preventing their illegal entry. It has been determined that 15 percent of the total agent time nationwide is related to drug activities. Of the 15 percent related to drug activities, 3.5 percent of these efforts are related to intelligence and 96.5 percent is related to drug interdiction. These activities include staffing 34 permanent border traffic checkpoints nationwide including 625 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

Office of Information Technology

The Office of Information Technology (OIT) supports the drug enforcement mission through the acquisition, and support and maintenance of technology, such as non-intrusive inspection systems and mission critical targeting software systems. Of OIT's spending, 30 percent of base of the Enforcement Technology Center; 25 percent of Automated Targeting Systems (Passenger, Narcotics, and Anti-Terrorism) systems software costs, 50 percent of the TECS (formerly Treasury Enforcement Communications System); and 10 percent of data center operations costs are estimated in support of the drug mission.

Office of Training Development

The Office of Training and Development (OTD) arrived at its estimates by reviewing all courses conducted in FY 2009 to determine if the course contained drug enforcement related material. If the course was found to contain drug related material, the funding attributed to the course was then multiplied by the drug content percentage based on the drug budget methodology. Other resources were attributed to drug enforcement activities at a rate of 31 percent based on the diverse nature of OTD's programs such as anti-terrorism, career development, and transition training of the legacy workforce.

Office of Air & Marine

CBP Air and Marine (A&M) core competencies are air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, CBP A&M targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the Source, Transit and Arrival Zones. In support of Source and Transit Zone interdiction operations, the CBP Air and Marine P-3 Program has dedicated a minimum of 7,200 hours a year in support of Joint Interagency Task Force – South (JIATF-South). However, due to aging aircraft structural, fatigue, and stress issues over the service life of the fleet, three P-3s have reached the Total Life Index (TLI) and are awaiting replacement wing sets and other conditional replacement components. Several other P-3s are undergoing or are nearing completion of depot level sustainment inspection and repair. Accordingly, A&M was not able to meet its 7,200 flight hour commitment to JIATF-South for FY 2008. However, CBP A&M flew in excess of 5,198 hours with dramatically reduced fleet availability in FY 2008 accounting for over 132,970 pounds of illegal drugs disrupted or seized. As sustainment inspections are completed, fleet availability has increased during early FY 2009 and is expected to increase throughout FY 2009. An extensive P-3 SLEP program is underway. CBP A&M conducted a full and open competition to acquire up to fourteen new wing

kits for CBP P-3s. The contract for new wing kits was awarded in FY 2008. This effort is followed by a P-3 Maintenance Contract initiative, which will be awarded during the Third Quarter of FY 2009. The first replacement wing set is expected to be delivered during FY 2009 with installation completed during FY 2010. The completion of special depot inspections in FY 2008 and FY 2009 will stage CBP A&M to meet or exceed JIATF-South flight hour commitments by the end of FY 2009. During the first quarter of FY 2009, CBP A&M P-3s flew 1430.1 flight hours and will exceed the 1760 flight hours projected of the second quarter of FY 2009. CBP A&M P-3s are expected to meet or exceed flight hour commitments to JIATF-South during FY 2010 and provide additional surveillance support along the northern border. Successful completion of the SLEP program will add 15,000 flight hours to the service life of the CBP A&M P-3 fleet. The P-3 fleet will continue to play a significant role in interdiction, law enforcement, and air domain security in Source, Transit and Arrival Zones through FY 2027.

Although 90 percent of the resources that support CBP Air and Marine are considered to be drug-related, since September 11, 2001, Air and Marine has steadily increased its support to counter-terrorism by developing a more cohesive and integrated response to national security needs as well as more emphasis on illegal immigration. Currently, Air and Marine is dedicating significant assets and personnel in support of Operation HALCON – a U.S./Mexico interdiction initiative, and support to the Office of Border Patrol in southwest border illegal alien intervention.

Budget

In FY 2010, CBP requests \$2,103.5 million in drug-related resources, which is an increase of \$2.5 million from the FY 2009 Enacted level. These resources support CBP as America's frontline border agency. CBP employs over 48,000 highly trained personnel to not only prevent terrorists

and terrorist weapons from entering the United States, but also to perform its traditional missions, which includes stemming the flow of illegal drugs and other contraband. CBP is determined to improve security at and between our ports-of-entry (POEs) along the entire length of land and maritime borders, and extend the zone of security beyond the physical borders.

Salaries and Expenses

FY 2010 Request: \$1,648.2 million

(Reflects \$22.4 million increase from FY 2009)

Salaries and Expenses fund CBP's primary field occupations including CBP officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. The agency's field organization is comprised of 20 Border Patrol Sectors with 34 permanent border and 69 tactical checkpoints between the ports of entry; 142 stations and substations; and, 20 Field Operations Offices and 327 associated ports of entry, of which 15 are pre-clearance stations. Field personnel use a mix of air and marine assets, non-intrusive technology such as large-scale x-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade.

Border Security and Trade Facilitation at POE's

FY 2010 Request: \$863.5 million

(Reflects \$13.3 million decrease from FY 2009)

The FY 2010 resources of \$863.5 million will fund border security and trade facilitation at the POE's. Included within this level is an estimated \$29 million in resources dedicated to drug enforcement that the Administration is requesting in its FY 2010 budget to support three initiatives: 1) \$7.5 million for the enhanced retirement benefit of its CBP officers; 2) \$18.5 million to combat outbound firearms and currency on the southern border by deploying 65 additional CBP officers, upgrading existing License Plate Readers (LPRs), and begin installing LPRs where they do not already exist; and 3) \$3.0 million to add 20 CBP officers that will enhance CBP's screening

operations at the National Targeting Center (NTC). Specifically, CBP will use these resources to support its aggressive border enforcement strategies that are designed to interdict and disrupt the flow of narcotics and ill-gotten gains across our Nation's borders and dismantle the related smuggling organizations. CBP narcotics interdiction strategies are designed to be flexible so that they can successfully counter the constantly shifting narcotics threat at, and between, the ports of entry, as well as in the source and transit zones.

CBP is intent on using resources to develop and implement security programs that safeguard legitimate trade from being used to smuggle implements of terror and other contraband, including narcotics. Under Customs-Trade Partnership Against Terrorism (C-TPAT), CBP works closely with importers, carriers, brokers, freight forwarders, and other industry sectors to develop a seamless, security-conscious trade environment resistant to the threat of international terrorism. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the factory floor to U.S. ports of entry. Under

C-TPAT, Americas Counter Smuggling Initiative (ACSI), the Carrier Initiative Program (CIP), and the Business Anti-Smuggling Coalition (BASC), partnership programs remain instrumental in expanding CBP's anti-narcotics security programs with trade groups and governments throughout the Caribbean, Central and South America and Mexico.

CBP has implemented a Field Operations Intelligence Program, which provides support to CBP inspection and border enforcement personnel in disrupting the flow of drugs through the collection and analysis of all source information and dissemination of intelligence to the appropriate components. In addition, CBP interdicts undeclared and bulk currency under 31

USC 5317 and 31 USC 5332, respectively, cutting off funds that fuel terrorism, narcotics trafficking, and criminal activities worldwide. CBP officers perform Buckstop Operations, which involves screening outbound travelers and their personal effects. CBP also supports Cashnet Operations that focus on interdicting bulk currency exported in cargo shipments. CBP uses mobile X-ray vans and specially trained currency canine teams to target individuals, personal effects, conveyances and cargo acting as vehicles for the illicit export of undeclared currency.

FY 2010 Total Changes (-\$13.3 million):

The FY 2010 request proposes a decrease of - \$13.3 million in the drug-related resources associated with border security and trade facilitation at the POE's. As mentioned, the requested FY 2010 resource level includes \$6.6 million in additional resources dedicated to drug enforcement. However, this increase will be more than offset in FY 2010 by a decrease in non-recurring funds from FY 2009 to include WHTI and Global Entry. In the American Recovery and Reinvestment Act (ARRA) of 2009, Congress appropriated \$100 million to CBP for the procurement of 17 large scale non-intrusive inspection (NII) systems, 24 low energy mobile systems and 10 low energy portal systems. The ARRA funds were scored 69 percent for drug enforcement.

Border Security and Control between the POE's

FY 2010 Request: \$397.0 million

(Reflects \$1.2 million increase from FY 2009)

The FY 2010 resources of \$397.0 million fund border security and control between the POE's. The Border Patrol has primary responsibility for drug interdiction between the land ports-of-entry. In pursuit of drugs, Border Patrol agents engage in surveillance activities supported by computer-monitored electronic ground sensors. Traffic check operations are also conducted along major routes of travel to restrict access to the interior by

drug and alien smugglers. Transportation centers are placed under surveillance for the same reason.

In addition, the Border Patrol canine program was implemented in 1986 in response to escalating alien and drug smuggling activities along the Mexican and Canadian borders. The canines are trained at the Border Patrol National Canine Facility in El Paso, Texas, to locate hidden persons, marijuana, heroin and cocaine. The canines are used in nearly every enforcement activity of the Border Patrol including line watch, traffic check operations, and train and bus checks. The canine program is responsible each year for the detection of record numbers of smuggled aliens and large narcotic loads, including the arrest of the criminals involved in smuggling activities.

The Border Patrol also participates in numerous interagency drug task force operations with other federal, state and local law enforcement agencies through Operation Alliance along the southern border. The Border Patrol is also an active participant in the southwest border HIDTA in Texas, New Mexico, Arizona and California. To further assist the Border Patrol in this endeavor, all Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designated authority as part of their basic training.

FY 2010 Total Changes (+\$1.2 million):

The FY 2010 request proposes a \$1.2 million increase in the drug-related resources associated with border security and control between the POE's. Specifically, funding will largely be used for Border Patrol agent and support hiring, Border Patrol agent equipment, operational details, vehicles, and agent relocations.

Headquarters Management and Administration

FY 2010 Request: \$109.1 million

(Reflects \$19.5 million increase from FY 2009)

The FY 2010 resources of \$109.1 million provide critical policy and operational direction, mission

support, and technical expertise to CBP mission operations. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

FY 2010 Total Changes (+\$19.5 million):

The FY 2010 request proposes an increase of \$19.5 million over FY 2009 funding level associated with Headquarters Management and Administration in support of Office of Information Technology (OIT) for TECS modernization and recurring operation and maintenance on non-intrusive inspection deployments made during FY 2009 by the Department of Homeland Security's Domestic Nuclear Detection Office.

Air and Marine Operations-Salaries

FY 2010 Request: \$278.7 million

(Reflects \$15.0 million increase from FY 2009)

CBP Air and Marine secures the borders against terrorists, acts of terrorism, drug smuggling and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers.

CBP Air and Marine partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. In fulfilling the priority mission of CBP to protect the borders, CBP Air and Marine's geographical mission has a strong focus along the southern border, with a recent expansion of coverage on the northern border.

FY 2010 Total Changes (+\$15.0 million):

The FY 2010 request proposes a \$15.0 million increase in the drug-related resources associated with CBP's Air and Marine. The increase will provide for personnel compensation and benefits, Air & Marine Interdiction agents pilots. CBP Air and Marine is requesting an additional 144 law enforcement and support positions in FY 2010 which directly supports CBP's Strategic Plan and the Secure Border Initiative (SBI) to effectively provide adequate staffing at headquarters and field locations as CBP expands support for border security operations.

Air and Marine

FY 2010 Request: \$455.2 million

(Reflects \$20.0 million decrease from FY 2009)

CBP Air and Marine's interdiction assets are deployed throughout the Western Hemisphere. The Air and Marine Operations Center in Riverside, California, provides command, control, communications, and intelligence for those assets by assimilating information from a wide array of sensors.

The President has authorized the Department of State (DOS) to continue assistance to Colombia in carrying out an "Airbridge Denial Program" against civil aircraft suspected of trafficking in illicit drugs. CBP Air and Marine P-3 aircraft are the primary U.S. Government aircraft used to fly in and over Colombia in support of this Presidential Determination and Directive. The P-3 Airborne Early Warning (AEW) and slick aircraft are critical to interdiction operations in the source and transit zones because they provide vital radar coverage in regions where mountainous terrain, expansive jungles and large bodies of water limit the effectiveness of ground-based radar. Because the P-3 AEW is the only Detection and Monitoring (D&M) asset solely dedicated to the counter-drug mission, it is a critical component of the U.S. government's interdiction efforts. In the Transit Zone, CBP Air and Marine crews work in conjunction with the law enforcement agencies

and military forces of other nations in support of their counter-narcotic programs. CBP is prepared to support counter-drug missions in the Source Zone following a new Presidential Decision Directive granting authorization and completion of training with South American partner nation law enforcement agencies and military forces. Counter-drug missions include detection and monitoring, interceptor support, and coordinated training with military and other law enforcement personnel.

CBP Air and Marine aviation assets include: sensor-equipped, detection and monitoring jet interceptors, long-range trackers, and maritime patrol aircraft; high performance helicopters; and single/multi-engine support aircraft. CBP Air and Marine's range of maritime assets includes interceptor, utility and blue water-type vessels.

FY 2010 Program Changes (-\$20.0 million)

The request includes a decrease of \$20.0 million for Air and Marine Interdiction, Operations, Maintenance, and Procurement. This reflects decreases for FY 2009 enhancements that non-recurred for the acquisition of two multi-role enforcement aircraft and spares, base funding for acquisition of one UAS system, ground control and spares and to acquire marine interceptors.

Performance

Introduction

This section on the U.S. Customs and Border Protection's (CBP) drug control program is based on agency GPRA documents and the OMB program review. The table includes performance measures, targets, and achievements for the latest year for which data are available.

CBP's drug control program has not been reviewed under the Administration's review process. The Office of Field Operations' (OFO) drug control efforts were included as part of a 2005 OMB assessment of Border Security, Inspections, and Trade Facilitation (BSITF) at the Ports of Entry program. The program received an overall rating of "Effective." OFO drug control efforts were not separately rated.

CBP Air and Marine (CBP A&M) drug efforts were also included as part of the FY 2006 OMB assessment of CBP Air and Marine program. The program received an overall rating of "Moderately Effective".

The Office of Border Patrol (OBP) drug efforts were also included as part of the FY 2007 OMB of Border Security and Control between the Ports of Entry program. The program received an overall rating of "Moderately Effective."

The data below reflect the achievements of OFO, OBP, and CBP A&M.

Customs and Border Protection		
Selected Measures of Performance	FY 2008 Target	FY 2008 Achieved
» Inspection Narcotics Seizures - Cocaine (thousands of pounds)	NA	178,770
» Inspection Narcotics Seizures - Marijuana (thousands of pounds)	NA	2,471,931
» Inspection Narcotics Seizures - Heroin (thousands of pounds)	NA	2,178

Discussion

The data include the amounts of cocaine, marijuana, and heroin seized by Border Patrol Agents, CBP Officers, and CBP Air Interdiction Agents. BorderStat is the new CBP system of record for capturing and reporting on all enforcement and operational statistical data across CBP's operational components. The Office of Intelligence Operation Coordination (OIOC) is responsible for integrating the multiple statistical data systems (Manager's Dashboard, COMPStat, and the Operational Management Reporting (OMR) and Executive Information System (EIS)) that had been used by CBP's operational offices to pull statistics from disparate data sources into a single user interface that will enhance CBP enforcement reporting. The BorderStat system has accurate data for all operational offices for FY 2008.

In FY 2008, CBP seized a total of 178,770 pounds of cocaine, which is a 57.4% decrease from FY 2007; 2,471,931 pounds of marijuana, a 12.7% decrease from FY 2007; and 2,178 pounds of heroin, the same as in FY 2007. CBP considers a reduction in drug seizures as a positive indicator of the efficacy of CBP's deterrence efforts on the border. In this sense, CBP would report 100% success as appropriate action is taken upon discovery.

DEPARTMENT OF HOMELAND SECURITY

Immigration and Customs Enforcement

Resource Summary

	Budget Authority (in Millions)		
	FY 2008 Final	FY 2009 Enacted	FY 2010 Request
Drug Resources by Function			
Intelligence	\$4.405	\$5.244	\$6.377
International	4.568	4.697	4.966
Investigations	388.933	417.782	444.277
Total Drug Resources by Function	\$397.906	\$427.723	\$455.620
Drug Resources by Decision Unit			
Immigration Enforcement	\$397.906	\$427.723	\$455.620
Unit	\$397.906	\$427.723	\$455.620
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,872	2,282	2,337
Drug Resources as a Percent of Budget			
Total Agency Budget	\$5.3	\$5.6	\$6.1
Drug Resources Percentage	7.44%	7.57%	7.47%

Program Summary

Mission

U.S. Immigration and Customs Enforcement (ICE) uses aggressive border enforcement strategies to investigate and disrupt the flow of narcotics and ill-gotten gains across the Nation's borders, and dismantle related smuggling organizations. ICE achieves these objectives by maintaining a cadre of Title 21 cross-designated Special Agents and a multi-disciplined money laundering control program to investigate financial crimes and interdict bulk currency shipments exported out of the United States.

Methodology

Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and budget authority is reported pursuant to an approved drug

methodology. ICE's methodology is based on investigative case hours recorded in the agency's automated Case Management System TECS (formally known as Treasury Enforcement Communication System). ICE agents record the type of work they perform in this system. Following the close of the fiscal year, a report is run showing investigative case hours that are coded as general drug cases and money laundering drug cases. A second report is run showing all investigative case hours logged.

Separate calculations exist for ICE three drug-related components: Office of Investigations (OI), Office of International Affairs (OIA), and Office of Intelligence (Intelligence). OI and Intelligence derive a percentage by dividing the number of investigative case hours linked to drug control activities by the total number of investigative case hours. OIA represents the investigative hours

recorded in ICE's automated Case Management System as full-time equivalent (FTE) agents. OIA derives a percentage by dividing the number of FTE agents by the total number of overseas agents. In FY 2008, 27.5 percent of case hours were drug-related for OI, 4.4 percent for OIA, and 9.4 percent for Intelligence.

The Intelligence Requirement Intake System (IRIS) – IRIS tracks request for intelligence work by customer. Requests made by the Office of International Affairs are classified as inherently international and all other customers are classified as inherently domestic. In FY 2008, 11 percent of IRIS requests were international in nature.

Budget

The total drug control request for ICE for FY 2010 is \$455.6 million, a net increase of \$27.9 million over the FY 2009 enacted level. This level includes \$63.3 million for Southwest Border Enforcement. This initiative is intended to increase national security by expanding activities to control our borders. At the highest level, this initiative helps in the prevention the movement of people, money, and materials across the Southwest border that could harm the Nation and its people. Plans include increasing enforcement staffing, improving cooperative efforts with the Mexican government, and establishing another Border Violence Intelligence Cell.

Salaries and Expenses

FY 2010 Request: \$455.6 million

(Reflects \$27.9 million increase from FY 2009)

Salaries and Expenses (S&E) programs contribute to the ICE mission of bringing a unified and coordinated focus to the enforcement of federal immigration laws and customs laws. S&E resources are used to combat terrorism, illicit drugs, and illegal immigration activities through the investigation, detainment, and prosecution of criminal aliens and other aliens, domestic gangs, as well as those participating in organized criminal activities that are intended to do harm to the infrastructure and/or inhabitants within the

United States.

Investigative Activities

FY 2010 Request: \$444.3 million

(Reflects \$26.5 million increase from FY 2009)

The FY 2009 resources of \$417.8 million support the Office of Investigation's drug-related activities. OI agents are confronted with numerous challenges in the effort to combat drug traffickers and, ultimately, reduce the amount of illegal drugs introduced into the United States. Drug smuggling organizations continue to develop sophisticated methods to smuggle drugs into the United States by developing new techniques, organizing internal conspiracies (i.e., criminals target corrupt personnel within a company or transportation industry to introduce contraband into otherwise legitimate cargo or conveyances), using various transshipment routes, and attempting to corrupt law enforcement officers. Resources and support for investigative efforts are enhanced through increased coordination and cooperation with other federal, state, local, and foreign law enforcement agencies and through participation in task forces such as the Organized Crime Drug Enforcement Task Force (OCDETF), the High Intensity Drug Trafficking Areas and the High Intensity Financial Crime Area programs.

ICE's membership in OCDETF is an important factor in the agency's success in dismantling drug trafficking organizations. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations such as *Operation Panama Express*, which is a Federally-approved OCDETF investigation targeting Colombian narcotrafficking organizations.

Resources also support ICE's involvement in Border Enforcement Security Task Forces (BESTs). Implemented in FY 2006, through BESTs, DHS law enforcement agencies work cooperatively with other law enforcement entities to develop a comprehensive approach that

identifies, disrupts, and dismantles criminal organizations posing significant threats to border security. BEST was developed in response to the increased threat from cross-border smuggling and trafficking organizations operating along our Nation's borders. In FY 2007, ICE created additional BESTs in Texas, California, and Arizona.

In further support of collaborative efforts, funds support ICE as an active participant in the Special Operations Division (SOD), a multi-agency coordination unit consisting of representatives from a several federal agencies that include DEA, FBI, and IRS. The ICE Special Operations Unit (SOU) is part of SOD. The primary mission of SOU is to target the command and control communication devices employed by criminal organizations operating across jurisdictional boundaries on a regional, national, and international level. SOU personnel focus on communications information generated during ICE field investigations and coordinate this information among law enforcement agencies, foreign and domestic, to maximize efforts to disrupt and dismantle targeted organizations.

With regard to financial investigations, ICE resources fund operations that target the systems used by international criminal organizations to launder the proceeds of their criminal activities. The Cornerstone initiative focuses on coordination and cooperation with other domestic and foreign law enforcement agencies and the private sector to eliminate vulnerabilities in U.S. financial systems and disrupt and dismantle alternative financing mechanisms that terrorists and other criminals use to earn, move, and store illicit funds.

Also, the Trade Transparency Unit (TTU) and Money Laundering Coordination Center (MLCC) provide the analytical infrastructure to support financial and trade investigations. The TTU provides the capability to identify and analyze complex trade-based money laundering systems,

such as the estimated \$5 billion-per-year drug money-laundering scheme known as the Black Market Peso Exchange (BMPE). The TTU has the unique ability to not only analyze domestic trade and financial data, but also trade and financial data of foreign cooperating partners.

Finally, resources allow ICE to conduct specialized investigative training focused on bulk cash smuggling (BCS) for state and local police officers and Assistant U.S. Attorneys. ICE's investigations and aggressive enforcement activity against BCS stem the flow of funds that fuel narcotics trafficking and criminal activities worldwide.

FY 2010 Total Changes (+\$26.5 million):

The OI FY 2010 request provides for the expansion of existing facilities and the creation of two new Border Enforcement Security Taskforce (BEST) facilities along the Southwest border. The BEST program is a critical cornerstone of the Secure Border Initiative program. The request also funds an increase of special agents along the Southwest border.

Intelligence Activities

FY 2010 Request: \$6.4 million

(Reflects \$1.1 million increase from FY 2009)

The FY 2009 resources of \$5.2 million support the Office of Intelligence's drug-related operations. Intelligence provides strategic investigative support as requested by all ICE investigative, detention and removal components, as well as many other departmental entities, in disrupting the flow of drugs by collecting and analyzing all source information and disseminating strategic intelligence to the appropriate component.

FY 2010 Total Changes (+\$1.1 million):

The Intelligence FY 2010 request provides for additional Intelligence Research Specialists to support field operations along the Southwest border.

International Affairs Activities

FY 2010 Request: \$5.0 million

(Reflects \$0.3 million increase from FY 2009)

The FY 2009 resources of \$4.7 million support the Office of International Affairs (OIA) drug-related operations. OIA works with foreign counterparts in combating transnational crimes including narcotics smuggling. Based on a memorandum of understanding, all foreign narcotics investigations are coordinated with the Drug Enforcement Administration.

The National Security Presidential Directive/NSPD-25 directs U.S. government agencies to attack the vulnerabilities of drug trafficking organizations and disrupt key business sectors and weaken the economic basis of the drug trade. The illegal drug market in the U.S. is based on illegal narcotics grown or manufactured in foreign countries and smuggled across our nation's borders. ICE agents enforce a wide range of criminal statutes including Title 18 and Title 19 of the U.S. Code. These statutes address general smuggling issues as well as customs violations. ICE also enforces Title 21, which covers the importation, distribution, manufacture and possession of illegal narcotics.

FY 2010 Total Changes (+\$0.3 million):

The OIA FY 2010 request provides for the placement of additional special agents along Mexico's northern border in high-risk locations to reinforce and strengthen the Office of Investigations operations. OIA expects their narcotics smuggling investigations in Mexico will increase by 26 percent.

Performance

Introduction

This section on the FY 2008 performance of ICE is based on agency GPRA documents and the OMB review. The table includes performance measures, targets and achievements for the latest year for which data are available.

The ICE mandate to detect, disrupt, and dismantle smuggling organizations supports the *Strategy* and national drug control policy. Within their respective spheres of operation, the Investigations, International Affairs, and Intelligence divisions contribute to our nation's counterdrug efforts. Specifically, ICE efforts contribute to disrupting the market for illicit drugs and creating secure borders.

The ICE Office of Investigations (OI) was rated "Adequate" through the OMB review process in 2004. However, individual components, such as the drug control functions, were not reviewed separately.

Immigration and Customs Enforcement		
Selected Measures of Performance	FY 2008 Target	FY 2008 Achieved
» Number of counternarcotics intelligence requests satisfied.	Develop Baseline	82
» Percent of closed drug smuggling investigations that have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty).	Develop Baseline	74.7%

Discussion

ICE participates in and dedicates resources to the Organized Crime Drug Enforcement Task Forces (OCDETF) investigations that target major drug smuggling organizations. For example, ICE participates with DEA and FBI on Operation Panama Express (PANEX). PANEX is an OCDETF investigation targeting Colombian narcotrafficking organizations. These Colombian trafficking organizations are responsible for importation to and distribution within the U.S. as well as Canada.

In FY 2008, the percentage of closed drug smuggling investigations that resulted in an enforcement consequence was 74.7 percent. An enforcement consequence includes arrests, indictments, convictions, seizures, fines and/or penalties. Investigations that result in an enforcement consequence increase deterrence and contribute to the elimination of vulnerabilities in various aspects of trade and immigration.

ICE has broad authority to investigate international financial crime and money laundering. The dollar value of real or other property seized from drug operations was \$42.6 million in FY 2008. During FY 2008, ICE seized \$159.3 million worth of currency and monetary instruments from drug operations. The seizure of currency and monetary instruments reduces the financial incentives for criminals.

DEPARTMENT OF HOMELAND SECURITY

United States Coast Guard

Resource Summary

	Budget Authority (in Millions)		
	FY 2008 Final	FY 2009 Enacted	FY 2010 Request
Drug Resources by Function			
Interdiction	\$ 987.695	\$ 1,200.192	\$ 1,251.045
Research & Development	1.755	2.232	2.472
Total Drug Resources by Function	\$ 989.450	\$ 1,202.424	\$ 1,253.517
Drug Resources by Decision Unit			
Acquisition, Construction and Improvements	\$ 218.941	\$ 371.392	\$ 376.271
Operating Expenses	753.124	811.701	856.917
Research and Development	1.755	2.232	2.472
Reserve Training	15.630	17.099	17.857
Total Drug Resources by Decision Unit	\$ 989.450	\$ 1,202.424	\$ 1,253.517
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,799	6,526	6,628
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$ 9.550	\$ 9.643	\$ 9.955
Drug Resources Percentage	10.36%	12.47%	12.59%

Program Summary

Mission

The United States Coast Guard (Coast Guard) is America's lead maritime security agency. It enforces all applicable federal laws and international conventions on, under and over the high seas and waters subject to the jurisdiction of the United States. This includes U.S. territorial seas, the contiguous zone, and the Exclusive Economic Zone. As part of its maritime security strategic goal, the Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers access to maritime routes.

The Coast Guard developed a five year counter drug strategy called STEEL WEB. This strategy is a comprehensive approach to maritime counter

drug law enforcement in the transit and arrival zones. The cornerstones of this plan are: (1) maintain a strong interdiction presence to deny smugglers access to maritime routes and deter trafficking activity; (2) strengthen ties with sources and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas; and (3) support interagency and international efforts to combat drug smuggling through increased cooperation and coordination.

The Coast Guard primarily conducts counter drug operations in the transit and arrival zones. In the six million square mile transit zone (Caribbean and Eastern Pacific), drugs are in their most concentrated form and trafficking activities are highly vulnerable once detected, although most

difficult to locate. The Drug Trafficking Organizations present a formidable challenge to the limited United States Government resources available through diversity of modes and routes. The Coast Guard continues to enhance its effective presence in both the Caribbean and Eastern Pacific portions of the transit zone by increasing overall efficiency, reducing cutter days lost during post-seizure operations, and strengthening relationships with transit and source zone countries through combined operations and bilateral/multilateral agreements, including International Maritime Interdiction Support. Based on the continued prevalence of go-fast vessels and the success of Airborne Use of Force (AUF), Coast Guard will continue to seek ways to expand the use of armed helicopters in the transit zone to enhance mission performance.

In part due to the Coast Guard's increased effectiveness stopping go-fast and fishing vessels laden with cocaine bound to the United States, Drug Trafficking Organizations have modified their tactics and started employing Self-Propelled Semi Submersible (SPSS) vessels to transport large quantities of cocaine via the maritime transit zone. SPSS vessels are designed to evade law enforcement detection and to easily scuttle (intentionally sink) when intercepted by law enforcement assets for the purpose of destroying the contraband and avoiding prosecution. In close coordination with the Coast Guard, Congress recently passed legislation imposing stiff penalties for operating undocumented SPSS vessels on international voyages. This new legislation change provides the Coast Guard the flexibility to prosecute drug smugglers operating SPSS vessels even in the case where the Coast Guard is unable to recover the contraband onboard the SPSS vessel due to drug smugglers scuttling the SPSS vessel. The new law gives the Coast Guard another powerful enforcement tool to counter the dynamic strategies employed by transnational Drug Trafficking Organizations.

Methodology

Coast Guard does not have a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, reserve training, and research and development activities are funded out of the appropriations specified herein.

Coast Guard uses a Mission Cost Model (MCM) methodology to compute its drug attribution. The MCM allocates funding across Coast Guard missions in the Performance-based Budget (PBB) presentation. The MCM allocates all direct and support costs to mission-performing units (e.g., a 378-foot cutter). Established baselines of operational activity are used to further allocate those costs to the various missions.

Budget

The FY 2010 Budget includes initiatives that will enhance the Coast Guard's ability to stop the maritime flow of illegal drugs in the transit and arrival zones. In FY 2010, the Coast Guard requests \$1,253.5 million to fund drug control operations including acquisition, construction and improvements, operating expenses, research and development, and reserve training. This level represents a \$51.1 million increase from the FY 2009 enacted level.

Acquisition, Construction and Improvements

FY 2010 Request: \$376.3 million drug related (Reflects \$4.9 million increase from FY 2009)

In general, Acquisition, Construction and Improvements finance the acquisition of new capital assets, construction of new facilities and physical improvements to existing facilities and assets. The funds cover Coast Guard-owned and operated vessels, shore facilities and other equipment, such as computer systems that are used for its drug interdiction mission.

The key acquisition programs related to the Coast Guard's drug interdiction mission and the

anticipated program achievements supported by the 2010 Request are summarized below.

FY 2010 Total Changes (+\$4.9 million): In FY 2010, Coast Guard will continue construction and testing of National Security Cutters (NSCs) 1, 2 and 3. Additionally, the contract for NSC-4 will be awarded. The NSC class will replace legacy High Endurance Cutters (HECs) that currently patrol the transit zones. Last year 39% of HEC operating hours were dedicated to the drug interdiction.

Design of the Offshore Patrol Cutter (OPC) will continue in 2010. The OPC will replace legacy Medium Endurance cutters that reported 50% of their patrol hours engaged in the drug interdiction mission.

Construction of the First Fast Response Cutter (FRC) and low rate initial production for FRCs 2, 3 and 4 will begin. The 2010 request will be used to execute the contract option for FRCs 5 through 8. The FRC replaces legacy medium endurance cutters that currently patrol the transit zones and dedicate 30% of their hours to drug interdiction.

The Coast Guard will accept the ninth and tenth HC-144A Marine Patrol Aircraft (MPA). 15% of MPA patrol hours contribute to the drug interdiction mission.

HC-130H Aircraft conversion and sustainment will continue with the completion of the SELEX radar installation on the fleet. Additionally the prototype aircraft modification will begin providing avionics and sensor upgrades to enhance operability for the drug interdiction mission.

Operating Expenses (OE)

Total FY 2010 Request: \$856.9 million drug-related (Reflects \$45.2 million increase from FY 2009)

The FY 2010 resources will support the operation and maintenance of Deepwater assets used in Coast Guard's drug interdiction mission, including the second National Security Cutter and helicopters armed with AUF. Funding will also support additional flight hours associated with the HC-130J fixed wing aircraft.

Funding provides for a maritime interdiction presence throughout the transit and arrival zones, primarily in support of JIATF-South operations. These operations are conducted in the deep Caribbean and Eastern Pacific nearer to the source zone, along the major trafficking maritime routes from Central America, Mexico and the Caribbean nations, and in the vicinity of U.S. maritime boundaries with Mexico, Cuba, Hispaniola and The Bahamas. In addition, the Coast Guard routinely exercises maritime bilateral agreements with 26 countries in the source and transit zones and recently agreed-to a set of operational procedures with the Government of Ecuador. The Coast Guard is actively seeking a similar arrangement with the Government of Mexico. These efforts complement international and other Federal, state and local law enforcement agencies' efforts to stop the flow of illegal drugs into the United States.

FY 2010 resources will also support the continued deployment of AUF assets designed to stop the go-fast boat smuggling threat, and the Coast Guard's extensive participation with the Organized Crime Drug Enforcement Task Force (OCDETF).

FY 2010 Total Changes (+\$45.2 million):

The budget provides for 14 gunners to support an additional 450 armed deployed days away from home station (DDAS), increasing the total DDAS to 1,450. This additional capability will significantly improve the Coast Guard's ability to deter drug trafficking, maritime threats, and will play a

vital role in establishing an integrated, interoperable border security system.

The budget also provides new equipment and maintenance on 18 cutters currently operating the system in the Caribbean Sea and Florida Straights as well as engineering development and program management. The Biometrics at Sea System (BASS) provides Coast Guard personnel with the ability to identify dangerous individuals documented in the United States Visitor and Immigration Status Indicator Technology (US-VISIT) database including known felons, those under deportation orders, or on a terrorist watchlist. With a nearly 75% reduction in undocumented migrant flow from the Dominican Republic, the BASS pilot program demonstrated the effectiveness of the system in deterring attempts by undocumented migrants to enter the United States illegally.

Research and Development

Total FY 2010 Request: \$2.5 million drug-related (Reflects \$0.2 million increase from FY 2009)
Research, Development, Test and Evaluation (RDT&E) funding will support the development of technologies to improve detection of hidden contraband; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give operational commanders a wider range of options to stop fleeing vessels.

FY 2010 Total Changes (+\$0.2 million):
FY 2010 resources will support the development of technologies modeling and simulation in support of the acquisition of the Maritime Security Cutter, Medium (WMSM).

Reserve Training

Total FY 2010 Request: \$17.9 million drug-related (Reflects \$0.8 million increase from FY 2009)
Reserve Training (RT) provides trained units and qualified personnel for service in times of war or national emergency. In addition, Coast Guard Reserve may be called upon to provide units and personnel to augment active Coast Guard forces during critical events.

FY 2010 Total Changes (+\$0.8 million):
Funding in FY 2010 reflects an allocation equivalent to that of the OE program costs since RT personnel augment OE program functions. RT funds are used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations.

Performance

Introduction

This section on the FY 2008 performance of the USCG program is based on agency GPRA documents and the OMB review. The table below includes performance measures, targets, and achievements for the latest year for which data are available.

The Coast Guard Drug Interdiction program was rated “Adequate” in the 2007 OMB review. The Coast Guard has since received the completed independent evaluation conducted by the Center for Naval Analyses (CNA) and has taken action on a number of the recommendations in the report.

US Coast Guard		
Selected Measures of Performance	FY 2008 Target	FY 2008 Estimate
» Non-commercial maritime cocaine removal rate	28.0%	33.8%
» Metric tons of cocaine removed	130	166.9

Discussion

The Coast Guard's Drug Interdiction mission bolsters the Nation's border security and deters the entry of illegal drugs into the U.S by combating the maritime flow of these narcotics. As the principal Federal agency for maritime drug interdiction, the Coast Guard disrupts the supply of illegal drugs by denying drug traffickers the use of maritime routes and interdicting contraband in the maritime transit zone, a six million square mile area comprised of the Caribbean, Gulf of Mexico, and Eastern Pacific Ocean. The Coast Guard executes a multi-faceted approach including detection and monitoring, interdiction, and international and domestic partnerships to support national strategies. Efforts to disrupt the drug market help stem other criminal-related acts, and deny potential funding sources for terrorism, transnational crime and other illegal activities

The Coast Guard measures illegal drug interdiction performance as the percent of cocaine removed—seized by the Coast Guard or jettisoned, scuttled, or destroyed as a result of law enforcement action—relative to the total maritime flow of cocaine not associated with legitimate commerce. This 2008 estimate is based on the 2007 Interagency Assessment of Cocaine Movement (IACM) report for non-commercial maritime movement. The 2008 IACM report will not be available until summer 2009. For FY 2009, the Coast Guard will transition to a new data source for the measure - the Consolidated Counter-Drug Database (CCDB) for the cocaine flow rate. The CCDB is updated and validated on a quarterly basis, which will allow more timely evaluation and reporting of Coast Guard illegal drug interdiction performance.

Critical to the Coast Guard's successful drug interdiction efforts were numerous enforcement partnerships such as the deployment of Coast Guard Law Enforcement Detachments aboard U.S. Navy and allied warships and increased international, inter-department and inter-agency cooperation and coordination.

FY 2008 performance highlights include the removal of a record 367,926 pounds (166.9 metric tons) of cocaine. In the fourth quarter alone, the Coast Guard disrupted 20 cocaine smuggling events and intercepted two Self-Propelled Semi Submersible (SPSS) vessels; this indicates the use of alternative maritime modes of trafficking to elude the Coast Guard's and its partners' successful interdiction of drugs conveyed through fishing and go-fast vessels.

On January 3rd, 2008 Coast Guard Cutter SHERMAN detected the F/V MERCEDES V, an Ecuadorian flagged fishing vessel, in the Eastern Pacific Ocean over 250 nautical miles northwest of the Galapagos Islands. The vessel was scuttled by its crews but over 236 bales of cocaine floated free from the wreckage. The SHERMAN removed over 26,455 lbs of cocaine as a result of this interdiction.

On October 24th, 2007 Coast Guard LEDET 407 aboard a British warship, interdicted the Venezuelan flagged F/V DONA ANTONIETA I in the Eastern Caribbean and removed over 7,330 lbs of cocaine as a result of the boarding. This was a case of outstanding international teamwork, which highlighted the significant benefits of Coast Guard LEDETs deployed aboard partner nations' maritime assets.

DEPARTMENT OF HOMELAND SECURITY

Office of Counternarcotics Enforcement

Resource Summary

	Budget Authority (in Millions)		
	FY 2008 Final	FY 2009 Enacted	FY 2010 Request
Drug Resources by Function			
Intelligence	\$ 0.197	\$ 0.235	\$ 0.248
Interdiction	2.123	3.055	3.215
International	0.004	0.005	0.005
State and Local Assistance	0.354	0.421	0.442
Research & Development	0.002	0.002	0.002
Total Drug Resources by Function	\$ 2.680	\$ 3.718	\$ 3.912
Drug Resources by Decision Unit			
Salaries and Expenses	\$ 2.680	\$ 3.718	\$ 3.912
Total Drug Resources by Decision Unit	\$ 2.680	\$ 3.718	\$ 3.912
Drug Resources Personnel Summary			
Total FTEs (direct only)	12	13	17
Drug Resources as a Percent of Budget			
Total Agency Budget (in billions)	\$ 0.003	\$ 0.004	\$ 0.004
Drug Resources Percentage	100.00%	100.00%	100.00%

Program Summary

Mission

A primary mission of the Department of Homeland Security (DHS) is to monitor connections between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking [6 U.S.C. 111 (b) (1) (H)].

The Office of Counternarcotics Enforcement (CNE) is statutorily charged with coordinating policy and operations within DHS, with the Department and other Federal departments and agencies, and among the Department, state, local and tribal agencies with respect to stopping the entry of illegal drugs into the United States and

also with tracking and severing the connections between drug trafficking and terrorism.

CNE's responsibilities are unique within DHS. Its establishment as an independent Office, reporting to the Secretary, recognizes CNE's critical roles and responsibilities within DHS, and the government's overall counternarcotics efforts. CNE works with the following eight DHS Components and Offices: U.S. Coast Guard (USCG), Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), Transportation Security Administration (TSA), United States Secret Service (USSS), Federal Law Enforcement Training Center (FLETC), Intelligence and Analysis (I&A), and Science and Technology.

Budget

In FY 2010, CNE requests \$3.9 million, which is an increase of \$0.2 million from the FY 2009 enacted level. This increase reflects technical adjustments to the base.

drug production, cultivation, transportation, and distribution.

Base Adjustments (+\$0.2 million): The \$0.2 million increase reflects technical adjustments to the base.

Office of Counternarcotics

Enforcement

FY 2010 Request: \$3.9 million

(Reflects \$0.2 million increase from FY 2009)

As the principal advisor to the Secretary on counterdrug matters, the CNE Director reviews and evaluates all DHS counterdrug activities. CNE is comprised of two divisions: (1) Policy, Operation, and Resources, and (2) Drug Terror Nexus.

CNE's Policy Division is staffed by experts on counterdrug policy, operations and budget who work closely with DHS components and other Federal departments to develop counternarcotics policies and operations. CNE Policy is expanding outreach efforts to state and local agencies in development of a Department-wide counternarcotics policy. In FY 2009, the Policy Division will continue to develop, and coordinate, the *National Southwest Counternarcotics Border Strategy* by continuing to coordinate the Strategy's Implementation Plan.

The Drug-Terror Nexus (DTX) Division works closely with DHS intelligence and law enforcement entities to assist in tracking and severing connections between drugs and terrorism. CNE's DTX activities are conducted within the Joint Terrorism Task Force construct. To support its efforts, CNE produces a drug-terror nexus assessment that identify organizations where a nexus between drug trafficking and terrorism exist, as well as vulnerabilities and intelligence gaps. CNE also coordinates the publication of intelligence reports for each foreign terrorist organization identified as using some form of drug trafficking to fund operations. These intelligence reports analyze the extent of their involvement in